

**MRCOG LEGISLATIVE PRIORITIES
for the
YEAR 2007 LEGISLATIVE SESSION**

SUPPORT OF REGIONAL COUNCILS

Policy: Support State funding for the seven State Planning & Development Districts.

Background: The Local Government Division of the New Mexico Department of Finance and Administration currently funds each of the State's seven State Planning and Development Districts for conducting regional and local community planning for economic development, land use management, transportation systems, water resources, and infrastructure development. Regional planning organizations also provide technical assistance, regional data and information, multi-governmental coordination, and most importantly, a forum for resolving regional issues.

The MRCOG supports continued State funding to all State Planning and Development Districts with increased amounts to cover the growing number of local government and state requests for technical assistance, planning research and data analysis, and for special projects on regional and multi-jurisdictional issues.

Policy: Support Utilization of the seven State Planning & Development Districts in planning and prioritization of capital expenditures

Background: The capital outlay system in New Mexico may undergo significant reform in the near future. When the Governor and Legislature consider reforming the process, MRCOG supports using the State's seven Planning and Development Districts to develop regional priorities, to identify projects of regional significance, and to coordinate and track capital projects within their regions.

LOCAL GOVERNMENT REVENUE SOURCES

Policy: Support State financial assistance for local governments.

Background: State financial assistance for municipal and county government operations and capital outlay construction has frequently been the only way such programs and facilities could be funded, especially for smaller municipalities and rural counties. Many of these local governments in New Mexico have severely restricted tax bases and inadequate bonding capacity.

The MRCOG supports increased grant funding assistance to local governments, and greater flexibility and authority to generate local revenues.

TRANSPORTATION

Policy: Support establishment of an ongoing revenue stream for State funding for the New Mexico Rail Runner Express and other public transportation programs.

Background: Efficient transportation is vital to any healthy economy. Connecting employers with employees is a key component of economic development, and the efficient movement of goods and services is important to every business.

Studies show that reliable public transit is essential to the recruitment and retention of a high-quality workforce and, for many companies looking to relocate it is a key factor in the decision-making process. For many New Mexicans, the lack of public transportation is an enormous obstacle to employment, because many people in rural and urban areas cannot afford to own and maintain a reliable private automobile.

With the implementation of the New Mexico RailRunner commuter rail service, MRCOG supports the creation of a permanent funding source for the RailRunner and other public transportation in New Mexico.

Policy: Support efforts to develop regional recreational facilities such as bicycle, pedestrian and equestrian trails.

Recreational facilities have become recognized and utilized as additional means of transportation throughout various communities. The utilization of land and coordinated efforts amongst communities are important to the MRCOG and the residents of the region. MRCOG as a regional council is positioned to continue in the planning efforts to make these connections within our region.

WATER

Policy: Support State funding assistance for the implementation and update of Regional Water Plans.

Background: Since 1988, the Legislature has provided funding on an annual basis for the development of Regional Water Plans. Two Regional Water Plans have been completed in the MRCOG planning district: the Middle Rio Grande and the Estancia Basin. To date, however, very little funding has been appropriated to carry out the implementation of Regional Water Plans. The

MRCOG recommends that ongoing funding be made available for implementing and updating the Regional Water Plans. A primary requirement for implementing Regional Water Plans is the ability to monitor, measure, and model the use of water throughout the Water Planning Regions.

Policy: Support an extended water planning horizon

Background: In accordance with New Mexico laws, Section 72-1-9 NMSA 1978 requires municipalities and water providers to plan for the reasonable development and use of water resources for a 40-year period. The Middle Rio Grande Regional Water Plan states that municipalities and other water providers need to look beyond the required 40-year horizon. Due to serious uncertainties about the sustainability of water resources in the MRCOG region, the planning horizon should be a minimum of 40 years to a maximum of 100 years.

Policy: Support watershed management with continued funding for vegetation control programs such as the Bosque restoration projects in the Middle Rio Grande area and forest thinning in higher elevations of the region.

Background: Successful watershed management programs can increase the quantity and quality of the water supply. Generally, watershed management programs involve vegetation control and/or erosion control. Along the Rio Grande, and particularly in the urbanizing areas, there is a critical need for restoration of the Bosque by reducing the density of high water-consumptive vegetation. It is believed that approximately 20-30% of the water consumed in the Middle Rio Grande Valley is water lost through evapotranspiration from Bosque vegetation. Also, there is an increasing frequency of fires in the Bosque due to overgrown vegetation, particularly of non-native plants such as salt cedar.

The MRCOG supports continued funding for long-range Bosque ecosystem management and coordination of Bosque restoration activities within the river valleys to maximize the effectiveness of the resources available. A major effort by the MRCOG to preserve water resources in the Rio Grande valley and its tributary streams includes plant thinning projects to reduce evapotranspiration water loss and to eliminate fuel for wildfires.

The MRCOG also supports ongoing and increased funding for forest thinning projects in the higher elevations of the region. Similar objectives apply in the uplands of watersheds: reducing evapotranspiration, preventing major wildfire destruction, and reducing soil loss due to erosion.

Policy: Support Statewide Water Conservation Education Programs.

Background: The MRCOG supports increased funding for public education programs in order to protect the region's water resources and conserve water at the local level. An informed public is crucial to the success of any water conservation and management program. The state government can provide extensive information regarding the status of all water resources in New Mexico as content for water education programs. Furthermore, public and private schools can and should maintain a curriculum on water conservation. The regional planning councils and organizations in New Mexico provide a logical forum for the exchange of ideas, and maintain regional information bases for water resource management. Also, the MRCOG can readily provide technical assistance to local governments for coordinating local educational efforts to protect the region's diminishing water resources and to implement programs to increase water use efficiencies.

Policy: Support State technical and financial assistance to local governments in order to comply with any new Federal and State drinking water quality standards, in particular arsenic standards.

Background: A more stringent standard for arsenic in drinking water affects many public water systems in New Mexico due to relatively high concentrations of naturally occurring arsenic in the groundwater. Arsenic removal is an expensive process and most water providers lack the resources to develop the necessary treatment plants in a timely manner. Therefore, the MRCOG recommends that technical and financial assistance be made available by the State to develop arsenic removal and treatment plants for public water systems. As State and Federal water quality standards change, local governments will need assistance to comply with any other standards.

Policy: Support State funding to capitalize the Water Trust Fund in order to build a significant permanent fund for ongoing water projects.

Background: The Water Project Finance Act created a Water Trust Fund in 2001, to provide a recurring funding source for water resource protection and improvement projects. The intent of the Water Trust Fund was to establish a permanent fund to generate interest that would be used as a continuing source of funding for water projects. To date, the Water Trust Fund has not been capitalized to build the permanent fund intended by the Act. The MRCOG recommends that the Legislature continue to appropriate funds to capitalize the Water Trust Fund to sustain a minimum of \$125 million corpus in the Fund.

Policy: Provide State funding for water system projects with priority given to programs that achieve the following objectives (not in priority order):

- 1) public infrastructure system improvements;**
- 2) water conservation measures;**
- 3) expanded funding mechanisms; and**
- 4) technical data for water rights administration.**

Background: Many of the public water systems in New Mexico are deteriorating as they age and were not designed to serve the number of customers they currently serve. The most critical public water infrastructure system improvements are: leak detection and repair, water flow metering and measuring, upgrade of storage facilities, improved water treatment (i.e., arsenic removal), and storm water management facilities. The proposed range for water infrastructure funding is between \$50 million and \$250 million per year statewide.

Because of diminishing water resources throughout the region, the conservation and preservation of water is crucial to ensure future water supply. Funding should be provided for water conservation measures that include: water audits, monitoring devices, water pricing incentives, conversion to low water use appliances and fixtures, water conservation building standards, xeriscaping, water waste restrictions, rainwater harvesting, graywater reuse systems, emergency water shortage plans, and conservation education programs. The proposed range of funding for water conservation projects is between \$20 million and \$40 million per year statewide.

Maintenance and upgrading of public water systems is becoming increasingly expensive to local governments and other public water providers. Funding assistance is necessary, particularly for small or rural systems that are unable to generate sufficient revenue for emergencies. Priority should be given to increased program funding through the Water Trust Board, including but not limited to the Water Trust Fund. Nevertheless, water project funding should continue to be available through State and Federal assistance programs.

In addition to limited water resources, there is also a need for the resolution of water rights in this region. Ideally, all water rights in the MRCOG regional water planning areas should be adjudicated. In the near term, due to the rapid urbanization in the MRCOG region, hydrographic surveys, groundwater flow modeling, geohydrologic mapping, and other technical studies need to be given higher priority in the Middle Rio Grande and Estancia Basins.

Policy: Support Statewide Water Conservation Building Standards

Background: New Mexico should implement statewide minimum building standards for new construction and remodeling to generate significant water savings. In particular, sub-metering of all multi-family housing units should be required. Recommendations for building codes and standards include: water-wise landscaping requirements for subdivision development and commercial buildings; mandating at least 2.5 cycles of concentration for cooling tower water; installation of Energy Star rated dishwashers and clothes washers in hotels and restaurants; and other such initiatives to reduce water use in new and rebuilt construction.

Policy: Support the Endangered Species Act Collaborative Program

Background: Many of the MRCOG member governments have been working together to attempt to resolve endangered species issues in the Middle Rio Grande through a recovery program known as the “ESA Collaborative Program.” This program has been successful in obtaining federal funding for restoration and recovery efforts for the silvery minnow and willow flycatcher; and the State has been responsible for a cost share of the effort. The program is intended to resolve the issues without additional litigation and leaving the water supply in the Middle Rio Grande under state and local control rather than the federal courts. The program is a 10-year effort aimed at restoring endangered species without significantly affecting other uses and development of water resources. The MRCOG is requesting support for the ESA Collaborative Program from the State Legislature including \$2 million in matching funding for the program. This program is vital to protect the water rights of entities in the Middle Rio Grande.

Policy: Establish an Aquifer Measurement and Monitoring Program

Background: Planning for affordable water supplies for the future is heavily dependent upon a sound technical understanding of the State’s aquifers. Particular information needed about the aquifers is their actual or potential productivity, their need for water treatment prior to use, and their rates of recovery or depletion. While some growing areas within the State have excellent information on these topics, many do not. New Mexico universities as well as private entities within New Mexico have the skills to obtain such information. A program for obtaining sound information about the State’s aquifers should be established by the legislature and should be funded at an initial annual level of \$20 million.

AGRICULTURE

Policy: Support Agricultural Land Preservation.

Background: The preservation and protection of agricultural lands for the region’s relatively small-scale farming and ranching operations is a goal of the MRCOG Agribusiness Task Force, particularly for growing and processing products for local and regional consumption. The regional water plans also support the preservation of agricultural lands. However, technical and financial funding assistance is necessary to carry out significant agriculture land preservation strategies. Such strategies may include purchase or transfer of development rights, dedicating conservation easements, establishing land trusts, or special land use controls to enhance the value of suitable agricultural lands in the region. Water conservation and efficiency of use should be a condition of any agricultural land preservation program.

Policy: Support the development of farm-to-market connections for the distribution of locally-grown agricultural products.

Background: The MRCOG's Agribusiness Task Force is promoting the growth and expansion of local markets for locally-grown products. Assistance and support to the "Farmers Markets" or "Growers Markets" throughout the region can improve the marketability of locally-grown products. Other, more conventional markets such as restaurants and grocery stores present greater opportunities for local products. Locally-grown agricultural products can only increase in volume and variety if the markets are established and available to the producers.

Policy: Support programs to increase the supply of local agricultural products.

Background: Both technical and financial assistance could open the possibilities for year-round production and "value added" products developed by local processors and processing facilities. New technologies and technical assistance should be made available to the producers of agricultural products, to both extend the growing season and increase the overall supply of local agriculture.

ECONOMIC DEVELOPMENT

Policy: Support the Business Incubator Development Program

Background: Business incubation is a proven economic development model for growing healthy businesses locally and creating good jobs. The U.S. Department of Commerce reports that every \$1 in public investment in business incubators returns more than \$4.50 in taxes and economic growth. Nationwide, 87 percent of firms that graduate from incubators remain in business after five years and 84 percent of those firms remain in their local communities.

MRCOG supports the appropriation of at least \$5 Million of capital on a matching basis for competitive grants to expand or build new business incubator facilities and provide \$300,000 of operating funds to help launch new incubators and offer new programs at existing incubators.

Policy: Support the MainStreet Initiative

Background: MainStreet has a proven track record for revitalization and redeveloping rural communities and downtowns across New Mexico through the creation of local public/private partnerships. This funding will support building rehabilitations and investments in rural communities and downtowns across New Mexico, resulting in new and expanding businesses and jobs. Historically, in

New Mexico, every \$1 of MainStreet public funds has leveraged \$12 of private sector money.

MRCOG supports a special appropriation of \$500,000 to provide revitalization resources and services to the 8 Start-Up and Satellite MainStreet communities started last year and add 10 new communities to the program in 2006. MRCOG supports an additional \$4 Million appropriation to the MainStreet Capital Outlay Fund to support critical public infrastructure in rural downtowns and deteriorating urban neighborhoods

HEALTH

Policy: Support the creation of a finance and management mechanism that addresses regional indigent care

Background: The University of New Mexico Hospital (UNMH) serves as a regional hospital for multiple counties surrounding Bernalillo County, but is financed primarily by Bernalillo County's mill levy. UNMH is the only regional hospital for indigent care in the state of New Mexico. Therefore, as population levels in the surrounding region increase, and the rate of low-income individuals without healthcare coverage continues to rise, the cost to provide regional indigent care services also rises. A recent financial report of the UNM Health Sciences Center showed that the cost of uncompensated care in fiscal year 2005 was \$131,267,834 which is \$44,876,287 in excess of funds directly allocated for uncompensated care.

The MRCOG supports the creation of a new financing mechanism that addresses this chronic care gap by looking at the rising costs of indigent health care services and the way in which additional funds could be raised, managed and dispersed.

CORRECTIONS

Policy: Support the Creation of a Regional Corrections Facility Structure to help address rising costs of the county jail systems

Background: Under current state law, county jails are responsible for the management and operation of jails across the state. Counties across the state are financially unable to support the rising costs of jail operations. The MRCOG Member Governments support the creation of a regional jail operation and management structure and financial mechanism to fund and manage jails in New Mexico.

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